



A-2689

Second Year B. Com. (Honours)(Sem. III) Examination

March/April – 2015

Income Tax - Paper - III

(Course Code - CC - 305 B)

Time : 2 Hours]

[Total Marks : 50

Instruction :

(1)

नीचे दशांशवैध निशान्चीवाणी विगतो उत्तरवडी पर अवश्य वपनी. Fillup strictly the details of signs on your answer book.	Seat No. :
Name of the Examination :	<input type="text"/>
<input type="text" value="Second Year B. Com. (Honours)(Sem. III)"/>	<input type="text"/>
Name of the Subject :	<input type="text"/>
<input type="text" value="Income Tax - Paper - III"/>	<input type="text"/>
Subject Code No. : <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="9"/>	<input type="text" value="Student's Signature"/>
Section No. (1, 2,.....): <input type="text" value="1"/>	

- (2) All questions are compulsory.
- (3) Figures to the right indicate full marks of the question.
- (4) Precise and to the point answers are expected.

1 Answer in short:

10

- (1) What is Assessment year and Previous year?
- (2) The following are the incomes of Mr. A for the P. Y. 2013-14:
 - (a) A business income earned in India Rs. 6,40,000.
 - (b) Business income earned in Sri lanka Rs. 20,000.
The Head Office of such business is situated in Chennai.
 - (c) Income earned and received abroad Rs.1,50,000 of which he has brought Rs. 15,000 in India.
 - (d) Incomes earned abroad in earlier previous years but brought in India during the previous year (2013 -14) Rs. 90,000.

Calculate his total income if he was Resident but;
not Ordinary Resident in India.

(3) Y, who is not covered by the payment of Gratuity Act, 1972, retires on November 20, 2013 from EC Ltd. And receives Rs. 1,87,000 as gratuity after service of 38 years and 10 months. His salary is Rs. 8,000 per month upto July 31, 2013 and Rs. 9,000 per month from August 1, 2013. Besides, he gets Rs. 500 per month as dearness allowances (60 percent of which is part of salary for computing retirement benefits). What amount of gratuity will be exempted from tax? 4

2 (a) Shri Hari is the General Manager of ABC Ltd. From the following details, compute the taxable income for the Assessment year 2014-15: 10

Basic salary	Rs. 20,000 per month
Dearness allowance	30% of basic salary
Transport allowance (for commuting between place of residence and office)	Rs. 2,000 per month
Motor car running and maintenance charges fully paid by employer	Rs. 36,000
(The motor car is owned and driven by employee Hari. The engine cubic capacity is below 1.60 litres. The motor car is used for both official and personal purpose by the employee)	
Expenditure on accommodation in hotels while touring on official duties met by the employer	Rs. 30,000
Loan from recognised provident fund (maintained by the employer)	Rs. 40,000
Lunch provided by the employer during office hours (Cost to the employer) (Assume 300 days)	Rs. 12,000

Computer (cost Rs.50,000) kept by the employer
in the residence of Hari from 1.10.2013

Hari made the following payments:

Medical insurance premium:

Paid in cash Rs. 2,000

Paid by cheque Rs. 3,200

(b) From the following particulars, compute the 'Net Annual Value' of House Property: **3**

(1) Monthly rent Rs. 2,500

(2) Annual value as per Municipal Valuation Rs. 36,000

(3) Expected Fair rent Annual Rs. 42,000

(4) Local Taxes 10%

3 (a) Mr. Vikas owns a house property whose Municipal Value, Fair Rent and Standard Rent are Rs. 96,000, Rs.1,26,000 and 1,08,000 (per annum), respectively. **10**

During the Financial Year 2013-14, one-third of the portion of the house was let out for residential purpose at a monthly rent of Rs. 5,000. The remaining two-third portion was self-occupied by him. Municipal tax @ 11% of municipal value was paid during the year. The construction of the house began in June, 2006 and was completed on 31-5-2009. Vikas took a loan of Rs.1,00,000 on 1-7-2006 for the construction of building.

He paid interest on loan @ 12% per annum and every month such interest was paid. Compute income from house property of Mr. Vikas for the Assessment Year 2014-15.

(B) How would you determine the residential status of Hindu Undivided Family? **3**

- 4 (a) Determination of Residential Status of Mr. Brett Lee 6
for the A.Y. 2014-15:
Period of stay during previous year 2013-14 =100 days.
Calculation of period of stay during 4 preceding previous
years
- | | |
|---------|-----------------|
| 2012-13 | 100 days |
| 2011-12 | 100 days |
| 2010-11 | 100 days |
| 2009-10 | <u>100 days</u> |
| Total | <u>400 days</u> |
- (b) Short notes: (any two) 8
- (1) Casual income
 - (2) Tax evasion, Tax avoidance and Tax Planning
 - (3) Appellate Tribunal